



## **Intra-African trade of timber: the Cameroon-Chad case in 2015**

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## Résumé

L'importance et les moyens mis en œuvre pour importer des sciages au Tchad en provenance du Cameroun demeurent très peu documentés. Deux enquêtes ont été réalisées pour dresser le diagnostic actuel de cette filière. D'une part, un suivi des flux de sciages a été fait à N'Djamena et à Moundou de juillet à décembre 2015. D'autre part, des entretiens ont été conduits avec 16 personnes ressources pour caractériser les processus suivis pour importer et dédouaner le bois provenant du Cameroun.

Selon nos enquêtes, le volume de sciages arrivant au Tchad à partir des frontières camerounaises s'établit à 79 000m<sup>3</sup> sur la période d'enquête, soit probablement environ 150 000m<sup>3</sup> par an. C'est un doublement de l'activité par rapport aux estimations réalisées en 2009 sur la base d'un suivi de ce commerce à partir du nord Cameroun. 60% de ce bois est consommé à N'Djamena et n'est pas réexporté vers d'autres pays. Les villes du sud du pays sont également des points importants de consommation. Presque la totalité des sciages importés au Tchad est constitué de « bois blancs » et ils sont produits avec des moyens artisanaux. Les camions livrant ces sciages au Tchad portent des volumes moyens compris entre 50 et 70m<sup>3</sup> chacun. Seulement 25% de ce volume est enregistré par les douanes tchadiennes.

Les procédures officielles d'importation sont longues et coûteuses au Tchad. Les acteurs de la filière ont donc mis en place une « filière courte » de dédouanement du bois, qui se caractérise par une sous-déclaration des volumes importés et le versement de pots-de-vin. Ce système parallèle est aujourd'hui complètement institutionnalisé, notamment car il diminue le coût de dédouanement de 28% par rapport au coût de la procédure légale. Cette pratique engendre un manque à gagner fiscal autour de 2 milliards de F.CFA pour l'Etat tchadien, mais elle produit des bénéfices importants aux officiers des douanes, aux transitaires, aux commerçants et aux consommateurs finals de sciages.

Le Tchad a donc peu d'intérêt économique ou politique à changer rapidement ces pratiques informelles d'importation du bois du Cameroun. Toutefois une évolution peut être envisagée en développant des incitations financières à appliquer la réglementation au Tchad et en réduisant les sources de bois illégal au Cameroun. Au Cameroun, cela requiert de (1) vérifier les possibilités réelles de production de bois dans les forêts communautaires, (2) contrôler effectivement la légalité des documents de transport du bois dans les villes de Ngaoundéré et de Kousséri, et (3) fournir aux douanes tchadiennes la liste des documents démontrant spécifiquement la légalité des produits forestiers provenant du Cameroun.

## Abstract

The importance and the processes used to import timber to Chad from Cameroon remain poorly documented. Two surveys were conducted to establish the current diagnosis of this sector. First, the monitoring of the timber flows was done in N'Djamena and Moundou from July to December 2015. In addition, interviews were conducted with 16 key people to characterize the processes used to import and customs clear timber from Cameroon.

According to our investigations, the volume of sawn wood arriving in Chad from the Cameroon borders is 79 000m<sup>3</sup> on the investigation period, probably about 150 000m<sup>3</sup> per year. This is a doubling of the activity from the estimates made in 2009 on the basis of a monitoring of this trade from northern Cameroon. 60% of this wood is consumed in N'Djamena and is not re-exported to other countries. The cities of the south are also important points of consumption. Almost all sawn wood imported into Chad consists of "white wood" and are produced with artisanal means. The trucks delivering the timber in Chad carry average volumes of between 50 and 70m<sup>3</sup> each. Only 25% of this volume is recorded by Chadian customs.

Official import procedures are lengthy and expensive in Chad. The actors of the timber commodity chain have therefore set up a "short track" clearance system, which is characterized by underreporting in imported volumes and the payment of bribes. This parallel system is now fully institutionalized, especially as it decreases the cost of clearance of 28% from the cost of the legal procedure. This practice creates a tax shortfall of around 2 billion F.CFA for the Chadian state, but it produces significant benefits to customs officials, brokers, traders and end-consumers of timber.

The Chad has little economic or political interest to quickly change these informal practices of importing timber from Cameroon. However, a change can be expected by developing financial incentives to enforce the regulations in Chad and by reducing the sources of illegal timber in Cameroon. In Cameroon, this would require to (1) check the actual possibilities of timber production in community forests to avoid timber laundering, (2) control the legality of transportation documents of timber in the cities of Ngaoundere and Kousseri, and (3) provide Chadian customs with the list of specific documents that demonstrate the legality of forest products from Cameroon.

## Background

Over the last ten years, Chad has experienced a strong economic growth that has required importing a large volume of commodities to support its development. Timber is among these commodities for at least the public works and furniture sectors. Cameroon and, to a lesser extent, the CAR are the two sources of timber for Chadian importers. Some studies have looked at this activity but did not provide an accurate and integrated diagnosis of this sector in Chad.

Three reports have tried to assess the exported timber volume to Chad. In 2009, Cerutti & Lescuyer (2011) estimated the timber flow from Cameroon to Chad around 68 000m<sup>3</sup>/yr, including 27 000m<sup>3</sup> of sawmill scraps. During the one-year study period, data collected in the East Region indicate that sawn wood was transported to northern Cameroon via approximately 500 railway carriages and 550 trucks. The destination most often mentioned was the Cameroon–Chad border. These results matched those obtained by Koffi (2005), who estimated annual informal exports at 40 000–60 000 m<sup>3</sup> of sawn wood. The supply of Chadian markets originates mainly from the eastern region of Cameroon. These are complex commodity chains that are dominated by Alhaji composed of wealthy Fulani traders and often related to Chadian exporters (Danboya 2011). Ngaoundere and Kousseri are the two hubs of the trade, which remains largely informal and plagued by corruption (SCET 2010). In 2011, Lescuyer et al. (2014) assessed that at least 6 000 m<sup>3</sup> of sawn wood were exported from Bangui to Tchad every year. The vast majority of this timber was not legally-sourced. Between 2008 and 2011, neither Cameroon nor RCA had officially exported wood products to Chad (Vautrin, 2011). There is now a statistical monitoring of these products by the Chadian administration, whose estimates are presented in Table 1 for the third quarter of 2015 for the checkpoints of Ngueli (for N'Djamena) and Moundou.

**Table 1 – Official statistics of imports of sawn wood to Chad between July and September 2015 (m<sup>3</sup>)**

<i>Checkpoints</i>	<i>July 2015</i>	<i>Aug 2015</i>	<i>Sept 2015</i>	<b>Total</b>
N'Gueli	785	2 625	1 175	<b>4 585</b>
Moundou	1 320	1 045	990	<b>3 355</b>

Extrapolation of these figures to the whole year provides a total estimate around 32 000 m<sup>3</sup> of sawn wood imported into Chad every year.

To our knowledge, there is no study on the consumption of sawnwood in the Chadian cities. Vautrin (2011) mentioned a number of 150 to 200 hardware stores throughout the country, who would sell about 90 000 m<sup>3</sup> of wood products, but her estimates are based on a small number of interviews. Similarly, by questioning a few stakeholders, Koffi (2005) estimated the volume consumed by the inhabitants of N'Djamena to 10 000m<sup>3</sup> per year.

Few hardware holders can provide the names of timber species and there is no specific request for species from the end consumers. All buyers, traders and controllers in Chad distinguish only between "white wood" and "red wood" (Vautrin 2011).

Lastly, on the basis of a couple of interviews, Koffi (2005) estimated that part of the timber exported to Chad passed in transit through N'Djamena to feed the soudano-sahelian area and even north african countries.

Based on this brief state of the art, our report aims to contribute to the updating of data on timber imported by Chad from Cameroon and to analyze the evolution of this sector. Secondly, it details the formal and informal processes followed by the various stakeholders for this cross-border trade. Finally, several ways are considered to legalize and to better regulate this activity in both Chad and Cameroon.

## Methods

Two survey methods were used to implement the two parts of this study. In all cases, the survey protocols were previously tested to amend and facilitate the collection of information. They also rely on the experience of CIFOR to conduct such studies in several countries of the Congo Basin. Moreover, the survey team paid visits in June, July and November 2015 to Ministry of Forestry, Ministry of Trade, and customs administration to introduce the project and to collect their feedbacks and expectations on this study.

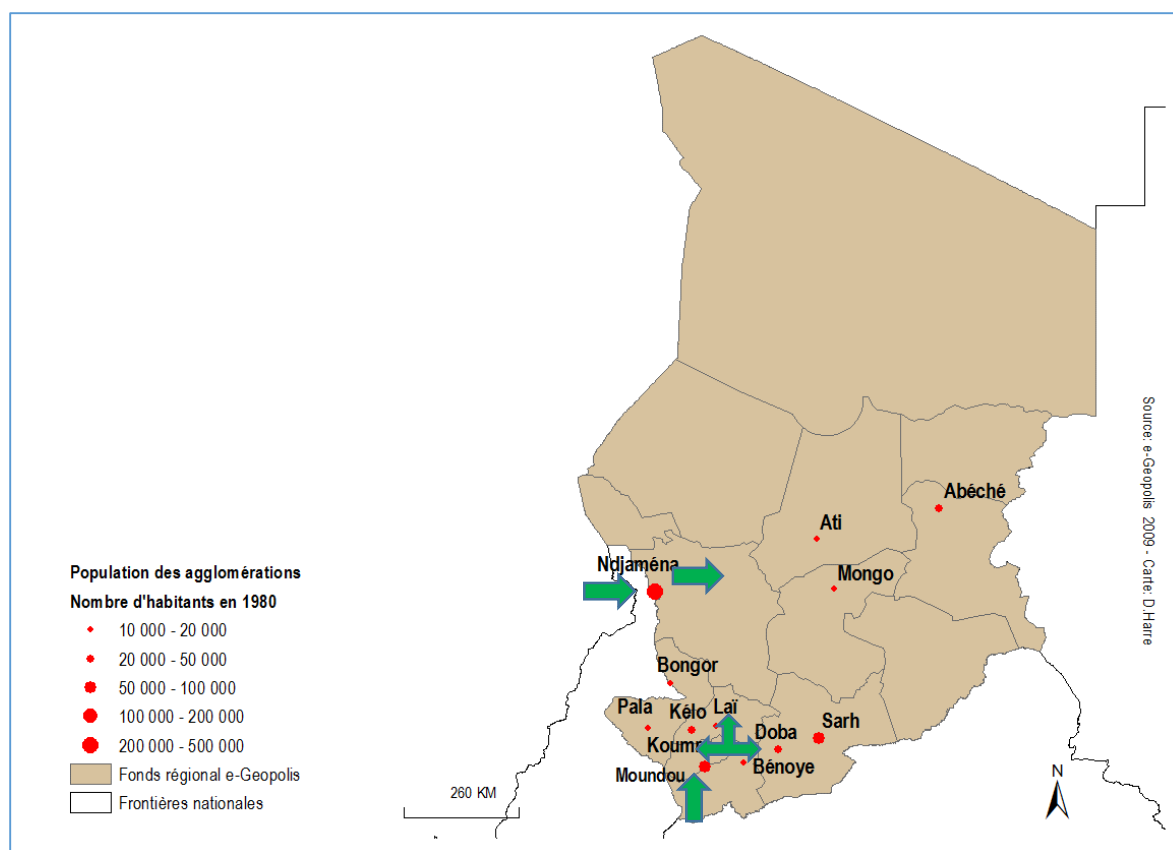
The first survey focused on tracking the flows of timber from Cameroon to Chad. In June 2015, a preliminary field visit was done to confirm the timber routes from Cameroon to Chad, and to recruit the enumerators. This visit tested the survey protocol for a 2 week period, before the regular survey started at the beginning of July 2015 for 6 months.

Based on the knowledge of the national expert and on technical reports (SCET 2010), four survey sites were selected and monitored by our investigators (Figure 1):

1. Entry road to N'Djamena through the border post of Ngueli, on the road from Kousseri (Cameroon);
2. Exit road from N'Djamena to Abeche;
3. Entry road to Moundou, from the southern border of Cameroon;
4. Exit roads of Moundou to cities located South of Chad, where human density is the highest in Chad (Gazel et al. 2010).

In these four sites, the survey last 48h per week, with 2 x 12h by day (6AM-6PM) and 2x 12h by night (6PM-6AM) during a 6 month period. Data were collected according to a standard questionnaire provided by CIFOR. This survey form is presented in Annex I. Enumerators distinguished industrially-processed timber and timber processed with artisanal means but it was not usually possible to identify the timber species loaded on trucks.

Figure 1 – Survey sites to monitor timber flows to Chad



Another study on the formal and informal processes for cross-borders trade of timber from Cameroon to Chad was done by the national consultant through semi-structured interviews with people involved in this trade. This survey was tested in November and conducted in November and December with 16 people (5 based in or around Moundou, and 11 persons based in N'Djamena). Respondents were either owners of the conveyed timber, or formal and informal controllers of the chain of custody, or brokers between the owners and the administration at the border points. Qualitative and quantitative information were collected on vehicles, freight, formal and informal procedures and costs. The survey form is presented in Annex II.

## Results

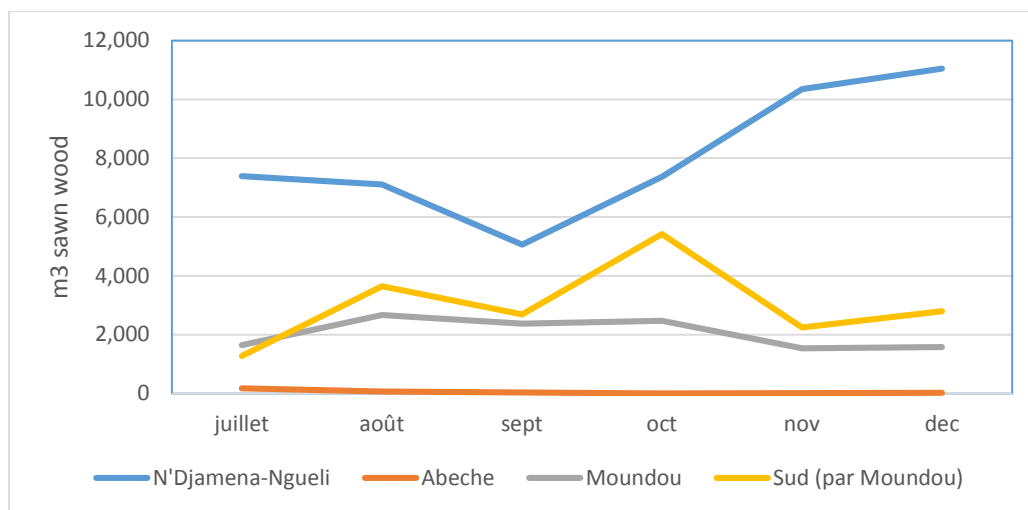
### Timber flows from Cameroon to Chad

Table 2 and Figure 2 present our assessment of timber flows from the Cameroonian borders to N'Djamena and to the southern part of Chad.



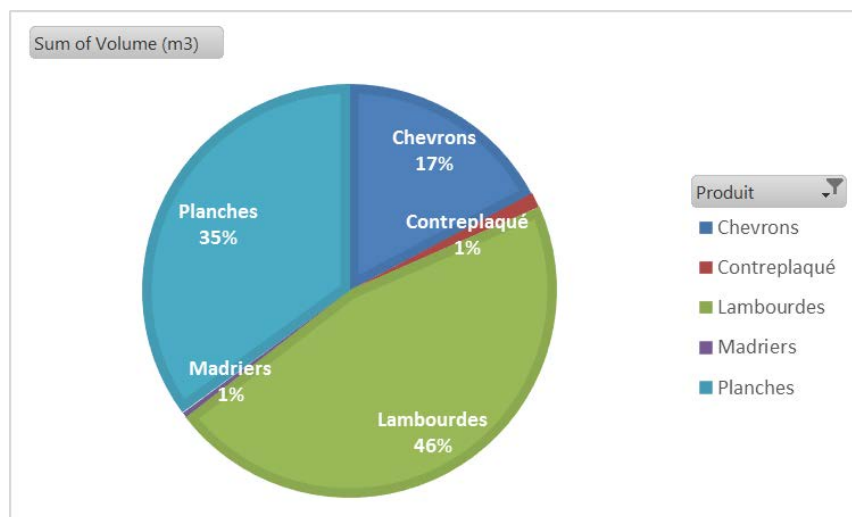
**Table 2 – Sawn wood flows from Cameroon to Chad between July and December 2015 (m<sup>3</sup>)**

<i>Survey sites</i>	<i>July</i>	<i>August</i>	<i>Sept</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<b><i>TOTAL (m3)</i></b>
N'Djamena-Ngueli	7,392	7,102	5,061	7,368	10,346	11,043	<b>48,311</b>
N'Djamena → Abeche	179	70	28	4	9	18	<b>306</b>
Moundou	1,645	2,667	2,373	2,475	1,540	1,582	<b>12,282</b>
Southern cities (via Moundou)	1,271	3,647	2,688	5,422	2,240	2,797	<b>18,064</b>

**Figure 2 - Sawn wood flows from Cameroon to Chad between July and December 2015**

Data collection started at the beginning of the rainy season, which is characterized by the reduction of road traffic. This explains the low estimates of the volumes recorded between July and September. On the opposite, the flow of timber is constantly growing in N'Djamena in the last quarter of the year. After six months of investigation, N'Djamena constitutes the main point of consumption of timber from Cameroon with about 60% of total volume. A very small amount of this timber goes out of N'Djamena to supply the city of Abeche or any other destination, contrary to the assumption made by Koffi (2005) ten years ago. Chadian cities are the final points of consumption of sawnwood imported to Chad.

In N'Djamena as in Moundou, white woods represent almost the entire volume. The products are similar in the two sites, with a predominance of wall plates, planks and rafters (Figure 3). They are almost all produced with artisanal means, except plywood.

**Figure 3 – Importance of the types of sawn wood observed in N'Djamena**

However, the commodity chain varies according to the two sites. Trucks entering through Moundou are registered in Cameroon and the average volume of their timber cargo is 70m<sup>3</sup> per truck. They come directly from the markets settled in the northern part of Cameroon, as Ngaoundere. Conversely, the timber arrived in N'Djamena is transported by trucks registered predominantly (79%) in Chad and bear an average volume of wood around 50m<sup>3</sup>. This is due to the breaking point in Kousseri in Cameroon (Danboya 2011): in this city, timber is unloaded from Cameroonian large-size trucks to be reloaded on Chadian smaller volume trucks (Picture 1) that will supply N'Djamena.

**Picture 1 – A medium-size truck used to convey timber from Kousseri to N'Djamena (source: Emmanuel Danboya)**

But in the two sites, and whatever the size of the vehicle, an overwhelming majority of trucks is overloaded.

In total, our estimate of the actual volume of sawn wood imported into Chad is 79 000m<sup>3</sup> for the last six months of 2015. This activity being only partly seasonal, it is estimated that the total volume of sawn wood consumed in Chad is around 150 000m<sup>3</sup> per year. This estimate indicates a very important development of this activity when compared to previous reviews: around the years 2009-2010, Cerutti & Lescuyer (2011) and Lescuyer et al. (2014) estimated that about 68 000m<sup>3</sup> and 6 000m<sup>3</sup> of sawn wood were exported respectively from Cameroon and CAR to Chad every year. In a period of 6 years, the actually imported volume of sawn wood in Chad has more than doubled. Such an increase is explained, firstly, by the annual rate of GDP growth between 3.4% and 13.8% between 2009 and 2015 and, secondly, by a significant increase in population urban and real estate investments (Gazel et al. 2010). It is likely that this sector continues to grow in the medium and long term since Chad aspires to become an emerging country in 2030, but the recent oil crisis could undermine the economic dynamism of the country in the short term.

Comparing our estimates of sawn wood imported in Chad with the official statistics shows the poor regulation of the sector: on one hand, the customs services recorded a volume of 7 940m<sup>3</sup> of sawn wood for the third quarter 2015 while, for the same period, we observed more than 34 000m<sup>3</sup> in Moundou and in Ngueli. Therefore an important part of this sawn wood volume is not subject to official registration with the authorities, either because the vehicles are not identified, or because the volume transported is not recorded in full.

## The governance of importing timber in Chad

### Formal procedures to import sawn wood in Chad

Although Cameroon and Chad are both part of CEMAC and should have facilitated trade procedures, import of forest products remains a complex and lengthy process.

First, five types of documents are required by the customs and the administrations of tax and forestry to export from Cameroon (Koffi 2005):

- The international safe-conduct, which is supposed to facilitate traffic and reduce police harassment between CEMAC countries.
- The slip road, which describes the type of transported goods, volumes, and the destination of the products.
- The transportation receipt, certifying that the carrier has paid transport taxes.
- A movement certificate issued by the UDEAC (Customs Union of Central African States).
- A customs declaration (type D6, D15 or D16), which specifies the nature and origin of the goods and their destination.

All Chadian traders must also follow several preliminary steps before being allowed to import forest products from Cameroon (Vautrin 2011): establishment of an import request, visit to BEAC and to BIVAC offices, inspection, verification of the goods from the supplier, and then issue of an audit certificate. The importer then recruits a customs clearance agent who will import the products and proceed the clearance procedures. Clearance is done in customs checkpoints (Ngueli for N'Djamena; Koutere or Belaba for Moundou) and follows several steps (STEC 2010, Vautrin 2011):

1. Admissibility of goods and presentation of legal import documents produced by the supplier of goods, i.e. (1) the certificate of origin, (2) the movement certificate, (3) the health certificate, and (4) the bill of goods. A Single Administrative Document ("Document Administratif Unique" - DAU) is then delivered to the agent to carry out clearance procedures.
2. Inspection of goods by the commercial brigade.

3. Issuance of the invoice for the duties and taxes.
4. Payment of fees at the customs manager.
5. Issue of the receipt and the release warrant ("Bon A Enlever" - BAE).
6. Signature of BAE by the Office Manager.
7. Visa BAE by the commercial brigade.
8. Release of the goods

The calculation of customs duties is based on the tax value of timber established by the Chadian administration and presented in Table 3.

**Table 3 - Taxable values of sawn wood in Chad (F.CFA/m3)**

Type of sawn wood	Soft wood ("white")	Hard wood ("red")
Wall-plate	30 000	50 000
Rafter	35 000	55 000
Plank	55 000	115 000
Beam	115 000	125 000
Plywood	50 000	55 000

Timber commodities are considered as "usual goods" (fourth category) by the Chadian authorities and are submitted to a custom fee of 62% of their taxable value. However, as Chad and Cameroon belong to CEMAC, a reduced rate ("Tarif Préférentiel Généralisé") of 38% can be applied as soon as a certificate of origin is provided. This almost never happens, except for plywood that systematically comes from industrial sawmills (Vautrin 2011).

#### Official and off-the-record arrangements in the customs checkpoints

The state and the current operation of customs checkpoints are causing significant delays for clearing the goods. It takes a full week in Ngueli, when all documents are available (SCET 2010). Such bottlenecks in cross-border trade can be explained by the low technical and logistical resources, the low qualification of overstaffing, and the difficulty of the vast majority of traders to submit the required documents for clearance to Chad. There is much confusion in these checkpoints to the detriment of an effective and non-personalized treatment of clearance records (SCET 2010). To overcome these shortcomings, a "short chain" has been established and has become common practice to clear at least sawn wood from Cameroon. It has three characteristics.

First, it becomes possible to clear the products in a time shorter than 24 hours. Many brokers and intermediaries installed around checkpoints manage to 'get out' commodities in less than 24 hours thanks to collusion with customs (SCET 2010). It is no longer necessary to submit all the documents required by Chadian customs: on the basis of the 16 interviews we did with brokers and traders, 14 had the invoice of the product to start the customs clearance procedure, 2 also held a certificate of origin, 2 had another administrative document, and one did not have any document at all. All invoices originated from Cameroon (Kousseri, Bertoua, Ngaoundere) and, according to respondents, an important part of the timber came from community forests located in the Eastern region.

Second, many personal payments are granted to employees in the checkpoints to speed up the formal and informal procedures of customs clearance. This money represents a significant part of the income they earn. The amounts paid in the two checkpoints Ngueli and Moundou are presented in Table 4 and

Table 5.

**Table 4 – Formal and informal costs to clear a freight of sawn wood through customs in Ngueli (in F.CFA/truck)**

Location	Task to be done	Authority/person in charge	Cost (F.CFA)	Official payment	Evidence of payment
After the bridge from Kousseri	Visa of security services	Police, gendarmerie, customs	38,000	Yes	No
In front of the Ngueli checkpoint	Open the gate to enter the customs point	gendarmerie	7,000	No	No
Ngueli checkpoint	Customs clearance	custom clearance agent	25,000	Yes	Document Administratif Unique (DAU)
	Recordings in the customs store	Customs - Manifest and visit sections	40,000	No	DAU
	Recordings in the customs software Sydonia	Customs - Sydonia service	5,000	No	DAU
	Stamping DAU	Customs - Admissibility service	5,000	No	DAU
	Stamping DAU	Customs - Control service	5,000	No	DAU
	Stamping DAU	Customs - Chief of the visit section	100,000	No	Form
	Payment of clearance tax	Bank CBT	62% of taxable value	Yes	payment note
	Recordings of payment	Customs - Régisseur	5,000	No	Receipt
	Recordings of receipts	Customs - Accountant	2,000	No	
	Stamping DAU	Customs - Chief bureau	5,000	No	DAU
	Stamping DAU	Customs - Trade section	35,000	No	DAU
	Exiting the customs point	Customs - Chief of the exit section	25,000	No	Exit receipt
Outside the Ngueli checkpoint	Check up	National security branches	5,000	No	Signature
	Searching	Customs - Mobile squad	30,000	No	Stamp
N'Djamena city	Check up	Customs - Mobile squad	25,000	No	
	Check up	Council	25,000	Yes	Receipt
	Weighing	Weighbridge	50,000	No	Receipt

**Table 5 - Formal and informal costs to clear a freight of sawn wood through customs in Moundou (in F.CFA/truck)**

Location	Task to be done	Authority/person in charge	Duration (min)	Cost (F.CFA)	Official payment	Evidence of payment
Koutere checkpoint	Check up	Customs - Bureau chief	30	150,000	No	Visa
	Check up	Police	10	20,000	No	Visa
	Check up	National security branch	20	10,000	No	Visa
	Check up	Gendarmerie	5	50,000	No	
Between Koutere and Moundou	Searching	Gendarmerie	10	10,000	No	
Moundou checkpoint	Check up	Customs - Captain	10	50,000	No	Visa
	Check up	Police	5	20,000	No	
	Check up	National security branch	5	10,000	No	
	Check up	Other administrations	10	20,000	No	
	Check up	Gendarmerie	10	10,000	No	
	Recordings	Customs - Bureau chief	5	50,000	No	
Moundou or Koutere checkpoint	Payment of clearance tax	Trésor public	120	62% of taxable value	Yes	payment note

In both checkpoints, informal payments are estimated on average between 5 700 and 6 600 F.CFA per cubic meter. This is a much lower value than the current rates of customs duties.

These informal payments are a must for any trader wishing to quickly clear customs his goods, and such a *“payment for officialising legally problematic transactions”* is current in Africa (Dobler 2016). However, their amounts vary, particularly for large sums which are almost always debated between customs officers and brokers, whereas smaller sums are paid on a more regular basis. Personal relationships play an important role in modulating the total amount of these informal payments, as seen in Cameroon (Cerutti et al. 2013) and more broadly in most cross-border trade in Africa (Dobler 2016). The balance of power is generally in favor of the customs that have the power to prolong the customs clearance procedure, but the vast majority of brokers can appeal to "resource persons" to limit abusive claims from customs. The role of these intermediaries is to convince the customs to revise down its demands on the clearance agent. But this service is not free and the intermediary often gets part of the cash/kind that was saved by the broker thanks to his intercession.

The third feature of this alternative customs clearance system is the reduction of the declared volumes of goods in order to reduce the amount of customs duties and save money to cover informal payments. In Ngueli, the most frequently volume reported to customs by our 11 respondents is 11 m<sup>3</sup>, while the average volume that we observed during the 6 months of follow-up was 52m<sup>3</sup> per truck. In Moundou, our respondents declared 55m<sup>3</sup> of timber per truck although our monitoring indicated an average volume of 70m<sup>3</sup>. Overloading of trucks and the under-assessment of the declared timber volumes to customs are described in all reports (Koffi 2005, SCET 2010, Vautrin 2011). These are illegal practices that are fully institutionalized today.

## Discussion

### Offset the tax gap, but at what price?

Our surveys allow to assess the tax shortfall experienced by the Chadian Treasury of timber cross-border trade with Cameroon. There are now about 150 000m<sup>3</sup> of timber that is imported into Chad each year, but only a quarter of this volume is recorded by customs, based on official data collected between July and September 2015. 115 000m<sup>3</sup> of timber do not undergo any tariffs, which minimum amount would be 30 000F.CFA per cubic meter (for white wooden wall-plate, as a low case) multiplied by 0.62%. The tax shortfall to the Treasury is about 2.14 billion F.CFA a year.

Besides the Chadian state, three other types of actors also derive economic benefits of this sector. First, many officials have a parallel but substantial source of informal income related to this activity. In both checkpoints of Ngueli and Moundou, it is around 6 000F.CFA/m<sup>3</sup> that are informally paid to administration officials, about 900 million F.CFA per year as a whole. It is unlikely that most of these civil servants agree to significantly reduce their personal income to maximize tax revenue by fully enforcing the law.

Second, the Chadian traders make profits from this activity. And, as shown in the following example (Table 6), informal clearance practices maximize profit compared with a law enforcement scenario. Take the case of a truck arriving at Ngueli with 70m<sup>3</sup> of white wooden wall-plates. In the first case of partial implementation of the law, only 35m<sup>3</sup> are declared to customs and taxed. The trader also pays other formal duties as identified in our surveys. It finally pays all informal costs required to customs clearance. In the second case of a full implementation of the law, the trader does not face any informal expense but must pay the customs fees for the full cargo of timber.

In total, the cost of a legal customs clearance is 28% higher than that of a partial declaration of products and the distribution of bribes and kickbacks. In this context, it is difficult to convince entrepreneurs to respect the law.

**Table 6 – Financial comparison between informal and official customs clearance processes (F.CFA/truck)**

<i>Categories of cost</i>	<i>Cost of semi-official import (35m<sup>3</sup> declared out of 70m<sup>3</sup> transported)</i>	<i>Cost of official import (total volume declared)</i>
Visa of security services	38,000	38,000
Customs clearance	25,000	25,000
Payment of clearance tax (62% of taxable value of declared volume)	651,000	1,302,000
Council tax	25,000	25,000
Other informal costs	344,000	0
<b>Total cost</b>	<b>1,083,000</b>	<b>1,390,000</b>

Finally, Chadian urban consumers are the last group of actors interested in importing sawn wood of Cameroon. For 6 years, they have been buying more and more small-scale lumber, indicating that the price levels of these products in urban markets are acceptable to the majority of customers. Assuming all imported timber are submitted to customs fees, it is likely that part of this additional cost be

transferred on the final sale price of lumber. From a financial point of view, the end consumers have today therefore little interest in supporting a legalization of this import sector.

### Possible drivers of change, in Chad or in Cameroon?

As already stated by SCET (2010), the political will to fight against corruption related to cross-border trade remains hardly noticeable in Chad or Cameroon, especially when it comes to natural resources. Speeches or posters (Picture 2) declaring war on corruption are forgotten as soon as one sets foot in a customs checkpoint.

**Picture 2 - A sign promoting the anti-corruption fight in front of the entrance to the Ngueli checkpoint (source Guillaume Lescuyer)**



In Chad, there are few effective levers to legalize the import of timber from Cameroon, for several reasons. First, the non-enforcement of the legal framework has not prevented the activity from flourishing in recent years, offering Chadian private and public consumers large quantities of timber at affordable prices. There is an economic (and partly politic) risk to change this established fact.

Second, the large sums paid illegally to officials involved in customs clearance procedures can be considered as premiums to compensate for low levels of wage. Again, why taking the risk of lowering the level of income of these officials to maximize tax revenue whose use remains little known and not necessarily effective? The institutionalization of this everyday corruption obviously helps maintain social peace at least with concerned officials and brokers.

Finally, in recent years, Chad has faced major challenges both to ensure the political stability of the Lake Chad Basin and to facilitate the country's economic take-off associated with the growing exploitation of



oil. The legalization of imports of forest products from Cameroon is a very minor concern in this political agenda, as we have been told by all ministerial representatives met during this study.

Without political will and without major economic interest, we cannot expect a rapid change in import timber practices in Chad. Several complementary approaches may however be taken to gradually reduce the financial shortfall associated with legalized importation of timber in Chad. A frequent request is to classify timber products as “essential goods”, which are subject to reduced tariffs, in order to lower the cost of legality (Vautrin 2011). One can also consider increasing the cost of illegality, for example by effectively penalizing some fraudsters (SCET 2010): increased risk of being blamed for embezzlement might be enough to increase the price of corruption and contribute to reducing the differential with the cost of legal practices. Finally, it will be difficult to improve the enforcement of regulations if it is to the detriment of customs officials. Financial incentive mechanisms, such as individual bonus or premiums, must be designed to allow representatives of administrations to draw at least as much benefit from law enforcement than they now receive with illegal practices. The purpose of the bonus would be to enable all the public officials to benefit from the legalization of the sector: the bonus should be high enough to partially compensate for the income lost by the elimination of the ‘administrative hassle’, which is currently an important source of personal revenue for a large number of civil servants.

However, one may question the relevance of proposing such reforms in Chad if Cameroon is not also involved in legalizing this commodity chain. Two main reasons should lead Cameroon to try to legalize and better regulate the timber flow to Chad. On the one hand, most of this trade is done without valid documents, indicating an illegal and probably unsustainable exploitation of timber resources in Cameroon. The extent to which this trade generates significant ecological impacts (for instance on the ayou species) is completely ignored today. On the other hand, community forests are said to be the main sources of timber for this cross-border trade, but the exported volume from Cameroon is in total disconnection with the productive capacities of the legalized community forests in the Eastern region. It is highly likely that community forests serve to launder illegally felled timber (Lescuyer et al. 2015). Improving the control systems of the community forests is a necessary step to promote the legalization of timber exports to Chad. In each community forest, it would be useful to check that the harvested volume for each timber species actually corresponds to the capacity of the forest, as assessed in the Simple Management Plan. The legal origin of timber can be easily controlled during the transportation chain as most of this trade to Chad goes through the hubs of Ngaoundere and Kousseri (Danboya 2011, Koffi 2005).

However, one difficulty comes from ignorance by Chadian customs of the specific documents certifying the legality of forest products in Cameroon. Almost always, Chadian customs just check the documentation required for import of commodities without requiring the specific documents that ensure timber legality. Beyond the simplified system of trade among the CEMAC countries, it would be good to harmonize between Cameroonian and Chadian authorities the list of documents demonstrating the legality of forest products.

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## Annex I – Monitoring form for timber flows

Nom de l'enquêteur :

Point de relevé :

Date et créneau horaire:

[illegible]

## Annex II – Survey form with the trade brokers at the borders

### 1. Identification du répondant

- 1.1 Fonction du répondant:
- 1.2 Nom (et sexe) du répondant:
- 1.3 Age:
- 1.4 Niveau d'instruction:
- 1.5 Durée dans la fonction:

### 2. Caractéristiques de la dernière cargaison transportée ou contrôlée

- 2.1 Date :
- 2.2 Type de véhicule :
- 2.3 A qui appartient le véhicule et où est-il immatriculé ?
- 2.4 Contenu du véhicule :
- 2.5 Provenance(s) et vendeur(s):
- 2.6 Destination(s) et acheteur(s):
- 2.7 Documents présentés pour le passage en douane :
- 2.8 Qui s'occupe de réaliser les démarches administratives ?
- 2.9 La cargaison a-t-elle été enregistrée complètement ou partiellement dans le registre des douanes ?

### 3. Etapes pour le passage à la frontière (pour la dernière cargaison, mentionnée ci-dessus)

[illegible]

**4. Y a-t-il d'autres façons pour importer du bois au Tchad ? Sont-elles régulièrement utilisées et si oui, dans quels endroits ?**

**5. Y a-t-il des personnes qui sont contactées régulièrement pour aider à résoudre certaines difficultés du passage en douane ?**

Type de difficulté	Nom et fonction de la personne	Quel type de soutien ?	Combien de contacts par mois ?	Quelle contrepartie ?

**6. Comment voyez-vous l'évolution de ce commerce transfrontalier dans 5 ans ?**

**7. Dernier commentaire ?**